

CENTRAL VALLEY PROJECT  
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS  
BY FACILITY AND/OR COMPONENT FOR FY 2004  
2006 M&I WATER RATES

Component/Facility		O&M & Corps Expense 1/	Project Use Energy Costs	Total
<b>COST TO BE ALLOCATED</b>				
<b>Storage</b>				
American River (0353)		2,371.38		2,371.38
Black Butte O&M COE (0214)	1b/	107,500.84		107,500.84
Central Hazmat Fund (1741)		18,486.93		18,486.93
Clear Creek Tunnel (0416) (1910)		5,674.74		5,674.74
ClairHill, CA Whiskeytown Dam (0416)		35,474.12		35,474.12
Coleman Fish Hatchery (1741)		326,149.43	19,983.12	346,132.55
Columbia-Mowry System (1785)	1b/	22,670.04		22,670.04
Delta Cross Channel (0863)		2,283.24		2,283.24
Folsom Complex (0353)		82,083.34		82,083.34
Folsom Dam & Reservoir (0353) & (1910)		104,229.58		104,229.58
Folsom Garage (0353)		7,883.78		7,883.78
Folsom Pipeline (0353)		21,854.42		21,854.42
Folsom Plant Maintenance Draw (0353)		14,507.74		14,507.74
Folsom Pumping Plant (0353) & (1910)		32,640.49	3,951.34	36,591.83
Friant Dam & Reservoir (1785) & (1910)	1b/	177,969.65	388.05	178,357.70
Gianelli, WR PGP (0805)	2/	749,054.46	46,255.04	795,309.50
Regeneration Credit			(19,544.77)	(19,544.77)
San Felipe Unit		(217,622.79)	(13,438.48)	(231,061.27)
Nimbus Dam & Reservoir (0353) & (1910)		36,418.20		36,418.20
San Joaquin River (1785)		17,279.42		17,279.42
Sacramento River (0725)		53,733.29		53,733.29
Shasta Dam & Reservoir (1741) & (1910)		250,945.58		250,945.58
Sisk, BF San Luis Dam (0805)		438,510.40		438,510.40
Spring Creek Tunnel (0416)		2.55		2.55
Trinity Dam & Reservoir (0416) & (1910)		12,137.59		12,137.59
Total Storage		2,302,238.42	37,594.30	2,339,832.72
<b>Conveyance</b>				
Folsom South Canal (0353)		367,198.84		367,198.84
<b>Direct Costs - Pumping &amp; Other</b>				
City of Fresno - Friant Water Authority Offset (1785)		735,041.00		735,041.00
Contra Costa PP (Contra Costa WD) (0863)			700,615.50	700,615.50
Cross Valley Canal Contractors ( State Delta PP & Dos Amigos PP)				
County of Fresno (0805)			834.55	834.55
County of Tulare (0805)			891.30	891.30
Pleasant Valley PP (City of Coalinga) (0805)			3,328.98	3,328.98
San Benito County WD				
Gianelli, WR PGP (0805)	2/	9,749.50	602.04	10,351.54
Pacheco PP (0805)	3/		22,898.32	22,898.32
San Luis Relift PP (City of Coalinga) (0805)			334.24	334.24

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Component/Facility	O&M & Corps Expense 1/	Project Use Energy Costs	Total
<b><u>Direct Costs - Pumping &amp; Other (continued)</u></b>			
Santa Clara Valley WD			
San Luis and Delta Mendota WA Offsets (0805)	786,881.52		786,881.52
Coyote PP (805)		115,571.73	115,571.73
Gianelli, WR PGP (0805) 2/	207,873.29	12,836.43	220,709.72
Pacheco PP (0805) 3/		488,224.80	488,224.80
Westlands WD Relifts (0805)		18,999.64	18,999.64
Wintu PP (Bella Vista WD) (0725)		32,334.50	32,334.50
Total Direct Costs (Pumping & Other)	1,739,545.31	1,397,472.04	3,137,017.35
Sub Total	4,408,982.57	1,435,066.34	5,844,048.91
<b>Water Marketing</b> 1/	2,223,133.64		2,223,133.64
Total Costs to be Allocated	6,632,116.21	1,435,066.34	8,067,182.55
<b><u>COST TO BE DIRECT BILLED</u></b>			
<b><u>Conveyance</u></b>			
Arroyo Pasajero (0805)	96.62		96.62
Delta Mendota Canal (0214) (0863)	1,146.36		1,146.36
Friant Kern Canal (1785)	460.03		460.03
Little Panoche Creek Det Dam (0805)	40.55		40.55
Los Banos Creek Det Dam (0805)	(12.96)		(12.96)
O'Neill Forebay & Dam (0805)	(58.81)		(58.81)
Red Bluff Dam (0725) 1b/	3,664.82		3,664.82
Red Bluff Research PP (0725) (1910)	2,579.29		2,579.29
San Luis Canal (0805)	2,042.34		2,042.34
San Luis Canal Turnouts (0805)	74.82		74.82
Stoney Creek CHO (0725)	28,245.66		28,245.66
Tehama-Colusa Canal (0725)	1,199.06		1,199.06
Tehama-Colusa Fish Facility (0725)	18.94		18.94
Toyon Pipeline (1741) 1b/	20,552.46	25,264.43	45,816.89
Total Conveyance	60,049.18	25,264.43	85,313.61
<b><u>Conveyance Pumping</u></b>			
Dos Amigos PP (0805)	107.18	21,118.78	21,225.96
O'Neill PGP (0805)		15,832.82	15,832.82
Regeneration Credit		(1,747.70)	(1,747.70)
Tracy Pumping Plant (0863)	300.62	90,450.29	90,750.91
State-Delta PP			0.00
Total Conveyance Pumping	407.80	125,654.19	126,061.99
<b><u>Direct Pumping</u></b>			
Contra Loma Dam (0863) 1b/		11,972.28	11,972.28
Total Costs to be Direct Billed	60,456.98	162,890.90	223,347.88
Grand Total	6,692,573.19	1,597,957.24	8,290,530.43

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2006 M&I WATER RATES

**Footnotes**

1/ Financial Statement Costs are taken from Schedules 22 & 25 of the 2004 CVP Consolidated Financial Statement (F/S). For certain facilities, the power costs have been isolated and shown under "Project Use Energy" . FY 2004 O&M Expenses are as follows:

	Joint Expense Recorded in F/S Sch 25	Expenses or Credits Not Recorded in F/S Sch 25 a/	Total Per F/S Sch 22	Other Adjustments to Expense b/	Total Expenses per Ratesetting	Total Expenses to be Direct Billed per Ratesetting	Total Expenses to be Allocated per Ratesetting
<b>Storage</b>	2,443,064.90	0.00	2,443,064.90	(103,232.18)	2,339,832.72		2,339,832.72
<b>Carriage</b>	1,646,766.99	367,198.84	2,013,965.83	1,713,598.24	3,727,564.07	223,347.88	3,504,216.19
<b>Water Marketing</b> c/	2,544,285.64	2,363,858.65	4,908,144.29	(2,685,010.65)	2,223,133.64		2,223,133.64
Financial Statement Balance	6,634,117.53	2,731,057.49	9,365,175.02	(1,074,644.59)	8,290,530.43	223,347.88	8,067,182.55

a/ Detail of financial statement expenses or credits in Schedule 22 but not recorded in the Multipurpose Expense Schedule 25.

<b>Storage</b>		<b>Carriage</b>		<b>Water Marketing</b>	
		Folsom South Canal (0353)	367,198.84	Contra Loma Dam (863)	11,972.28
				Toyon Pipeline (1741)	48,016.37
				City of Fresno (1785)	2,303,870.00
Total	0.00		367,198.84		2,363,858.65

b/ Detail of Ratesetting O&M Expense Adjustments to Reconcile with F/S Schedule 22:

<b>Storage:</b>		Total
Black Butte O&M COE moved from Water Marketing	(86,188.90)	
Black Butte O&M COE FFS input error (prior year adjustment recorded in current year)	193,689.74	
Gianelli WR PGP costs moved to Direct Pumping	(231,061.27)	
Columbia-Mowry System moved from Water Marketing	22,849.59	
CFO (PUE) Adjustment	(2,341.79)	
CFO (PUE) Adjustment - Columbia Mowry (included with WM in F/S)	(179.55)	
	(103,232.18)	
<b>Carriage:</b>		
Contra Loma Dam - Power - moved from Water Marketing	11,972.28	
Toyon Pipeline moved from Water Marketing	48,016.37	
Gianelli WR PGP costs moved from Storage	231,061.27	
Dos Amigos PP - Adjustment to F/S (transfer cost from Irr to M&I)	2,797.20	
City of Fresno (Friant Water Authority Offset) - FY 2003 and FY 2004 costs moved from Water Marketing	2,303,870.00	
City of Fresno (Friant Water Authority Offset) - included in FY 2003 accounting	(1,677,807.00)	
City of Fresno (Friant Water Authority Offset) - FY 2004 costs transferred from Irrigation	108,978.00	
CFO (PUE) Adjustment	(99,971.92)	
CFO (PUE) Adjustment - Toyon Pipeline (included with WM in F/S)	(2,199.48)	
SLDMWA Offsets transferred from Irrigation (Sch 19)	786,881.52	
	1,713,598.24	
<b>Water Marketing:</b>		
Black Butte O&M COE moved to Storage	86,188.90	
Toyon Pipeline moved to Carriage	(48,016.37)	
Contra Loma Dam - Power - moved to Carriage	(11,972.28)	
Columbia-Mowry System moved to Storage	(22,849.59)	
City of Fresno (Friant Water Authority Offset) - moved to Carriage	(2,303,870.00)	
CFO adjustment for Foresthill PUD e/	3,830.24	
Non-Permanent Contractor Revenue (Includes Non-Project Water Revenue) d/	(388,321.55)	
	(2,685,010.65)	
Total	(1,074,644.59)	

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2006 M&I WATER RATES

**Footnotes (continued)**

- c/ Includes General and Administrative Expenses.  
d/ Non-Project water revenue - Contra Costa WD's revenue related to Los Vaqueros.  
e/ Foresthill PUD's share of CFO adjustment for FY 2003 and FY 2004 distributions. Ref: 2004 M&I Application of CFO/PFR Audit Adj Analysis.Z08.xls

2/ Determination of FY 2004 Gianelli, WR Pump Generator "Storage" costs allocated to the San Felipe Unit are as follows:

	San Felipe Unit (Storage)			All Other Storage Contractors	Total
	Total	Direct Pumping Applicable To Gianelli, WR Pump Generator San Benito	Santa Clara		
2004 Storage Deliveries (A/F)	127,552	5,714	121,838	311,480	439,032
Ratios	0.29053	0.04480	0.95520	0.70947	1.00000
Allocated Gianelli, WR Pump Generator Costs (Excludes Regeneration Credit) - 2004:					
Direct Costs	217,622.79	9,749.50	207,873.29	531,431.67	749,054.46
Project Use Costs	13,438.48	602.04	12,836.43	32,816.56	46,255.04
Total Allocated Costs	231,061.27	10,351.54	220,709.72	564,248.23	795,309.50

3/ Allocation of Pacheco Pumping Plant costs - Allocation is based on same water delivery ratios as shown in 2/ above.

Total	San Benito	Santa Clara
511,123.12	22,898.32	488,224.80

**Note: Storage Expense Allocation**

(The following calculations are provided for use on Schedule of CVP Allocated Municipal and Industrial Storage Expense)

	San Felipe Unit		All Other Contractors	Total
	Other Storage Expense	Direct Pumping Gianelli, WR PGP		
Allocated Gianelli, WR PGP Costs:				
Direct Costs (see 5/ above)		217,622.79	531,431.67	749,054.46
PUE Costs/Excludes Regenerating Credit (see pg 1)		13,438.48	32,816.56	46,255.04
Regeneration Credit			(19,544.77)	(19,544.77)
Less: Gianelli, WR PGP Costs Allocated to Direct Pumping		231,061.27		(231,061.27)
Sub-total				544,703.46
Allocated Other Storage O&M Expense	521,538.90		1,273,590.36	1,795,129.26
Total Allocable Storage Expense	521,538.90		1,818,293.82	2,339,832.72

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2006 M&I WATER RATES

**4/ RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004**

M&I Revenue per Schedule B-2 (excluding Voluntary Payments)	19,645,770.45
Current Year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2005 4c/	193,205.97
Current Year Voluntary Payments recorded in FFS and Ratesetting in current year (Contra Costa WD)	2,102,342.78
Prior Year revenue adjustments included in Ratesetting but will be recorded in FFS in 2005 4c/	(3,173.87)
FY 2003 revenue adjustments reversed in FY 2004 4c/	(60.00)
Prior Year revenues recorded in FFS in current year but recorded in Ratesetting in prior year 4c/	(756.24)
Prior Year Voluntary Payments and Refunds recorded in FFS and Ratesetting in current year 4c/	139,049.65
Prior Year Voluntary Payments recorded in FFS in current year, but recorded in Ratesetting in prior year 4c/	204,938.52
FY 2003 Refunds and Reallocations recorded in FFS in current year, but recorded in Ratesetting in FY 2003 4c/	(118,699.78)
Prior Year Voluntary Payments refunded in FY 2004 4c/	(263,432.85)
Contra Costa WD - Current Year \$2.50 administrative charge applied to capital repayment (\$2.50 * 90,698 A/F)	226,745.00
FY 2005 Voluntary Payments recorded in FFS in 2004	89,383.78
Conveyance Income - Delta Mendota Water Authority	907,782.75
Contract Administrative Fees	3,000.00
M&I Revenues Per Financial Statement (Sch. 21)	23,126,096.16

**Reconstructed Excess of Income Over Expense at 9/30/03 (See 2005 Water Rates, Sch B-7)**

(169,260,764.19)

FY 2004 Activity per Ratesetting: O & M Expense	8,067,182.55
Net change from Financial Statement Costs 1/	
Other Adjustments to Expense 1b/	1,074,644.59
Total O&M Expense	9,141,827.14
Current Year Interest on Investment recorded in F/S (Sch. 22)	21,270,484.46
Total Costs to be Direct Billed 1/	223,347.88
M&I O&M Expenses and Interest per F/S (Sch. 22)	30,635,659.48

**Total Current Year Result per F/S (Sch. 20)**

(7,509,563.32)

**Transactions Incorporated into Ratesetting in Prior Years but not in F/S @9/30/2004 (differences between Ratesetting and Financial Statement)**

Revenue:	
FY 2003 revenues recorded in ratesetting in FY 2003 but recorded in FFS in FY 2004	(59,675.19)
Prior Year revenues recorded in ratesetting in FY 2003 but recorded in FFS in FY 2004	(3,105.99)
FY 2000 & FY 2001 revenues recorded in ratesetting in Prior Years but recorded in FFS in FY 2004	(119.41)
	(62,900.59)
Expense:	
PEIS capitalized	
FY 1992 through FY 1998 (see 99MFB8AE.Z03)	(2,206,215.99)
Adjustment to F/S in FY 1999 (see 1999 F/S Sch. 26)	2,134,366.00
	(71,849.99)

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2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

**Transactions Incorporated into Ratesetting in Prior Years but not in F/S @9/30/2004 (differences between Ratesetting and Financial Statement)**

Expense (continued):

PEIS not capitalized  
Cost through 10/92  
FY 1993 cost

33,490.33  
3,753.00

37,243.33

Friant D&R , Drum Gates capitalized through FY 2003	(745,067.38)
Tracy PP, upgrade SCDA System capitalized (FY 1999)	(6,214.00)
FY 1993 Adjustment ( see FY 1995 M&I and IRR Water Rates)	1,670.11
Dos Amigos PP adjustment to F/S	(1,126.36)
O'Neill Dam prior year adjustment not included in Schs 22 & 25	(185.66)
Shasta D&R (Coleman Fish Hatchery) recorded in F/S twice.	(548,119.97)
Banks Pumping Plant adjustment (FY 1999 - FY 2002)	36,111.57
Chief Financial Officer Adjustment deferred (FY 2004 - FY 2007)	(1,939,893.89)
Chief Financial Officer Adjustment (PUE) included in ratesetting (2001/2002/2003 accountings)	100,144.33
Chief Financial Officer Adjustment for San Felipe Division still in the plant account (needs to be moved to the exp. account)	206,620.97
Provision for Replacement credit included in Ratesetting (2001 thru 2003 accountings)	(290,985.43)
Arroyo Pasajero (0805) FY 2002 Conveyance Expense not included in FY 2002 accounting	(6,938.84)
SLDMWA Offsets transferred from IRR (Sch 19) - Santa Clara Valley WD & San Luis WD (DMC & SLC)	1,862,679.26
Black Butte O&M COE (FFS input error)	(193,689.74)
City of Fresno - Friant Water Authority Offset recorded in Irrigation account (will be moved to M&I in FY 2004)	1,677,807.00
FY 2003 voluntary payments included in ratesetting but will be recorded in FFS in FY 2004	(204,938.52)
FY 2003 O&M surplus refund will be recorded in FFS in FY 2004 (City of Shasta Lake)	51,775.76
Contra Costa WD, FY 2004 Voluntary Payments included in FFS in FY 2004	68,266.00
Prior Year voluntary payments not included in ratesetting	78,705.06
Provision for Replacement costs not recorded in Sch.22 (FYS 1998 thru 2000)	33,966.00
Interest Adjustments:	
FY 2003 interest adjustment to F/S	(5,275,927.09)
FY 1997 interest adjustment to F/S - Contra Costa WD's interest not included in Ratesetting	(179,495.00)

PUE Costs

Direct Billed for Fiscal Years 1998 through 2003 (see prior years' ratebooks)  
Adjustment to F/S (Fiscal Years 1998 & 2000)

(2,512,186.20)  
(437,910.76)

(2,950,096.96)

Conveyance Income

Tehama Colusa - FY 1999  
Delta Mendota - Fiscal Years 1999 through 2003

148.58  
2,793,539.98

2,793,688.56

Equity Adjustment - Deferred CFO/PFR Adjustment (Sch. 12)	1,552,794.42
Contract Administrative Fees	3,200.00
Warren Act Contractor Revenue	2,487,017.21
Title Transfer Revenues	413,225.00
Prior Year capital repayment adjustment due to Sly Park D&R and Sugar Pine D&R title transfers	(19,910,054.66)
Prior Year O&M deficit adjustment due to Sly Park D&R and Sugar Pine D&R title transfers	(64,328,657.59)
El Dorado ID (Sly Park D&R) and Foresthill PUD capital repayment balance as of 9/30/02 are removed from Sch. A-6A	3,891,548.53

(81,419,678.56)

**Cumulative Recorded Excess of Income Over Expense at 9/30/2004 per F/S (Sch. 12)**

(258,190,006.07)

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2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

**Transactions Incorporated into Ratesetting but not in F/S at 9/30/2004 (differences between Ratesetting and Financial Statement)**

Revenue:		
Current Year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2005	4c/	(193,205.97)
Prior Year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2005	4c/	3,173.87
Prior Year revenues recorded in Ratesetting in FY 2003 but will be recorded in FFS in 2005 (CCWD & City of Roseville)		63,716.83
Expense:		
PEIS capitalized		
FY 1992 through FY 1998 (see 98MFB8AE.Z03)	2,206,215.99	
Adjustment to F/S in FY 1999 (see FY 1999 F/S Sch. 26)	(2,134,366.00)	
		71,849.99
PEIS not capitalized		
Costs through Oct. 31, 1992	(33,490.33)	
FY 1993 costs	(3,753.00)	
		(37,243.33)
Friant Dam & Reservoir, Drum Gates capitalized ( through FY 2003 - 745,067.38 )		745,067.38
Tracy PP, Upgrade SCDA System capitalized ( 1999)		6,214.00
FY 1993 adjustment (see FY 1995 M&I & IRR Rates)		(1,670.11)
Shasta D&R (Coleman Fish Hatchery) recorded in F/S twice		548,119.97
Banks Pumping Plant adjustment (FY 1999 - FY 2002)		
Dos Amigos PP adjustment to F/S (FY 2003: 1,126.36, FY 2004: - 2,797.20)		(1,670.84)
O'Neill Dam - FY 1998 adjustment not included in Schs 22 & 25 (see FY 1999 F/S)		185.66
Deferred ( 2005 - 2007) Chief Financial Officer (CFO) adj (Conv. & WM only) plus amounts not allocated	4b/	1,456,385.90
Equity Adjustment - Deferred CFO/PFR Adjustment (Sch. 12)		(1,552,794.42)
Chief Financial Officer (CFO) PUE adjustment recorded in FFS in FY 2004	235,645.59	
Chief Financial Officer (CFO) PUE adjustment recorded in Ratesetting through FY 2004	(133,063.43)	
		102,582.16
Chief Financial Officer (CFO) PUE adjustment to F/S		(130,952.85)
CFO adjustment for San Felipe Division (09216530; WM) is in plant account and will be moved to expense account in 2005		(206,620.97)
Provision for Replacement credit included in Ratesetting (2001 through 2004 - see CFO & PFR ADJ worksheet)		318,347.32
Arroyo Pasajero (0805) - Fiscal Year 2002 conveyance expense not included in 2002 accounting		6,938.84
SLDMWA Offsets transferred from IRR (Sch 19) - Santa Clara Valley WD & San Luis WD (DMC & SLC) (02/03/04 accountings)		(2,649,560.78)
City of Fresno - Friant Water Authority Offset transferred from Irrigation		(108,978.00)
Current Year Voluntary Payment included in Ratesetting in Current Year, but will be recorded in FFS in FY 2005	4c/	23,414.49
Contra Costa WD, Fiscal Year 2004 Voluntary Payments reapplied to the prior year water charges		(1,654,763.27)
Prior Year Voluntary Payment reapplied - See Sch. A-3A, Sacramento County WA, Riverview Golf & CC	4c/	(10,231.53)
FY 2004 Refund included in Ratesetting but will be recorded in FFS in FY 2005	4c/	(28,991.90)
Prior Year Excess Voluntary Payments refunded - will be recorded in FFS in 2005	4c/	(66,486.92)
Contra Costa WD, Fiscal Year 2005 Voluntary Payments recorded in FFS in 2004	4c/	(89,383.78)
Provision for Replacement costs for Fiscal Years 1998 - 2000 not recorded in F/S Sch. 22 (11,322 * 3)		(33,966.00)
Interest Adjustments:		
FY 2004 interest adjustment to F/S		11,991,038.09
FY 1997 Interest for Contra Costa WD (repayment contracts) not included in ratesetting	4a/	179,495.00
PUE Costs		
Direct Billed for Fiscal Years 1998 through 2003	2,512,186.20	
Fiscal Year 2004 Direct Billed	223,347.88	
Adjustment to be recorded in F/S for Fiscal Years 1998 - 2000 (See 98MFB8AE.Z02)	437,910.76	
		3,173,444.84

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4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

**Transactions Incorporated into Ratesetting but not in F/S at 9/30/2004 (differences between Ratesetting and Financial Statement)**

Conveyance Income		
Tehama Colusa - Fiscal Year 1999 ( 148.58)	(148.58)	
Delta-Mendota WA - Fiscal Years 1999 -2003 ( 2,793,539.98) & 2004 ( 907,782.75)	(3,701,322.73)	
		(3,701,471.31)
Warren Act Contractor Revenues through Fiscal Year 2004		(3,144,644.57)
Non-Storable Project 215 Water Revenues		(215,099.66)
Contract Administrative Fees		(6,200.00)
Title Transfer Revenues		(522,390.00)
Rescheduled Water Revenues will be included in Sch. A-4A (Storage)		(129,756.80)
Restoration Fund (Interest portion of Transfer Water Revenues)		(605.00)
Prior Year capital adjustment included in Ratesetting in 2003 but will be recorded in FFS in 2005		19,910,054.66
Prior Year deficit adjustment included in Ratesetting in 2003 but will be recorded in FFS in 2005		64,328,657.59
Prior Year adjustment 4c/		53,225.88
M&I Settlement interest adjustment		133,896,815.69
PFR rounding adjustment		(13.04)
		<u>222,355,915.54</u>
<b>Reconstructed Excess of Income Over Expense at 9/30/2004</b>		<u><u>(35,834,090.53)</u></u>

- a/ Interest for the period 1/97-9/97: 31,372.00 (Contra Costa Canal) + 77,682.00 (Contra Loma D&R) + 70,436.00 ( Contra Costa New Facility) = 179,495.00  
b/ Chief Financial Officer Adjustment (excludes PUE), Ref: CFO & PFR ADJ worksheet, M&I Application of CFO & PFR Audit Adj Analysis.Z08

**Storage (Included in Water Marketing in Ratesetting)**

Trinity River Division (0416)	806,473.26
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**Carriage**

Sacramento River Division (0725)	20,989.00
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**Water Marketing**

Trinity River Division (0416)	294,144.95
Sacramento River Division (0725)	176,541.27
Delta Division (0863)	2,621,069.29
San Felipe Division (0921)	589,839.52

	3,681,595.03
Total CFO adjustment	4,509,057.29

Less: Adjustment included in accountings (2001/2003)	(2,089,485.64)
Total adjustment deferred over a 5-year period	2,419,571.65
Less: Annual distribution amounts included in accountings (2003/2004)	963,185.75
Remaining balance to be distributed for FY 2005 - FY 2007 plus amounts not allocated	<u>1,456,385.90</u>

c/ **Reconciliation of Income to Financial Statement at 9/30/2004**

Current Year revenues recorded in Ratesetting in current year but will be recorded in FFS in '05 (See Sch B-2 Worksheet:CY ADJ)	
Broadview WD (3*42.58)	127.74
City of Avenal (-153*13.34)	(2,041.02)
City of Coalinga (276*14.30)	3,946.80
City of Fresno (-420*10.00)	(4,200.00)



CENTRAL VALLEY PROJECT  
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS  
BY FACILITY AND/OR COMPONENT FOR FY 2004  
2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

c/ **Reconciliation of Income to Financial Statement at 9/30/2004 (continued)**

Current Year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2005 (See Sch B-2 Worksheet:CY ADJ) (continued)		
City of Huron (-55*14.70) (1*14.70)	(793.80)	
City of Lindsay (5*36.25)	181.25	
City of Orange Cove (117-64-49)*47.62	190.48	
City of Redding - Sacramento River -Shasta (11*25.14)	276.54	
City of Redding - SCC (545*19.46)	10,605.70	
City of Redding - TP (8*15.00)	120.00	
City of Roseville (3,895*9.00)	35,055.00	
City of Shasta Lake (366*23.97)	8,773.02	
City of Tracy (-25*32.10)	(802.50)	
Clear Creek CSD (303 * 48.33)	14,643.99	
Contra Costa WD (-7,539*38.83)	(292,739.37)	
Contra Costa WD (238*5.01)	1,192.38	
County of Madera (7*30.22)	211.54	
Delano-Earlimart ID (22*28.19)	620.18	
Dept of VA (9*36.47)	328.23	
Dos Palos Power Authority (156*20.29)	3,165.24	
Fresno County WW#18 (17*15.00)	255.00	
Lake California P.O.A. (200*9)	1,800.00	
Lindsay-Strathmore ID (-12*60.65) (84*28.94)	1,703.16	
Pacheco WD - SLC (1*72.02)	72.02	
Panoche WD - SLC (-5*44.78)	(223.90)	
Plain View WD (-5*27.30)	(136.50)	
SMUD (419*12.96) (419*7.27)	8,476.37	
Sacramento County WA (-37*19.02)	(703.74)	
Sacramento Suburban WD (1,607*23.47)	37,716.29	
San Benito County WD I/B (380*36.13), O/B (380*43.00)	30,069.40	
San Juan WD (282*22.64)	6,384.48	
San Juan WD - Warren Act (101*13.28)	1,341.28	
San Luis WD - DMC (27*15.00)	405.00	
San Luis WD - SLC (9+9)*63.88	1,149.84	
Santa Clara Valley WD: I/B (-1,829-719)*45.71, O/B (-1,829+719)*43.00	(98,468.10)	
Shafter-Wasco ID (77*31.93)	2,458.61	
Shasta CSD (70*24.25)	1,697.50	
Shasta County #25 (23*9.00)	207.00	
Shasta CWA (671*9.00)	6,039.00	
State of CA (-1*35.46)	(35.46)	
Stockton-East WD (190*28.72)	5,456.80	
Stony Creek WD (4*28.72)	114.88	
Tea Pot Dome WD (1*49.23)	49.23	
Terra Bella ID (75*31.41) (200*31.41)	8,637.75	
Westlands WD (272*49.51)	13,466.72	
		(193,205.97)
Current Year Voluntary Payment included in Ratesetting in current yer, but will be recorded in FFS in 2005		
Contra Costa WD	21,906.99	
Contra Costa WD	1,507.50	
		23,414.49

CENTRAL VALLEY PROJECT  
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS  
BY FACILITY AND/OR COMPONENT FOR FY 2004  
2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

c/ **Reconciliation of Income to Financial Statement at 9/30/2004 (continued)**

FY 2003 revenue adjustment reversed in FY 2004 (see Sch B-2, Worksheet: PY ADJ)		
City of Fresno (26*10.00)	260.00	
US Forest Service (-10*20.00)	(200.00)	
		60.00
 Prior Year revenue adjustment included in ratesetting but will be recorded in FFS in 2005		
County of Madera (-1*28.96 for Sept 03) (100*28.96 for Sept 03)	2,867.04	
San Luis WD - DMC; 1*24.73 (215 water), SLC; 1*29.74 (215 water) & 6*26.23 (215 water)	211.85	
Westlands WD (2*47.49 for Feb 03)	94.98	
		3,173.87
 Prior Year revenues adjustments recorded in FFS in current year, but recorded in Ratesetting in prior year (See 04M&I PY Adjustments.Z08.xls & M&I 2003 Sch B-2 F.Z07.xls)		
Bella Vista WD (14*63.30)	886.20	
Broadview WD (2*41.02)	82.04	
City of Avenal (123*11.29)	1,388.67	
City of Coalinga (354*13.32)	4,715.28	
City of Fresno (-4*10.00), (-19*10.00)	(230.00)	
City of Huron (103*13.52)	1,392.56	
City of Lindsay (-1*34.88)	(34.88)	
City of Orange Cove (23*51.60)	1,186.80	
City of Redding - Sacramento River -Shasta (56*23.11)	1,294.16	
City of Redding - Sacramento River -Shasta (594*9). Adjustment needs to be reversed.	5,346.00	
City of Redding - Sacramento River -Shasta, Rate Change (15*(19.81-23.11)) SX#: 040320JS006	(49.50)	
City of Redding - SCC (540*17.47)	9,433.80	
City of Redding - SCC (172*(16.69-17.47)) SX#: 040320JS006	(134.16)	
City of Redding - TP (8*15.00)	120.00	
City of Roseville (3,538*9.00)	31,842.00	
City of Shasta Lake (112*21.93), (253*26.05), (82*21.93)	10,845.07	
City of Tracy ((72+75)*32.10)	4,718.70	
City of West Sacramento (1,365*19.17)	26,167.05	
Clear Creek CSD (283 * 45.99)	13,015.17	
Clear Creek CSD (373 * 8.38)	3,125.74	
Colusa County WD (16*28.76)	460.16	
Contra Costa WD (-3,654*37.14)	(135,709.56)	
Contra Costa WD (-15,242*-7.47), (15,376*3.68),	(57,274.06)	
Corning WD (6*78.87)	473.22	
Delano-Earlimart ID (19*26.63)	505.97	
Del Puerto WD FY 2001 adjustment	58.28	
Dept of VA (7*33.96)	237.72	
Dos Palos Power Authority (70*18.89)	1,322.30	
Dunnigan WD (27*52.25)	1,410.75	
El Dorado ID - FD&R ((682+733)*21.71)	30,719.65	
El Dorado ID - SP ((1,413+2,295)*15.00)	55,620.00	
Fresno County WW#18 (2*15.00)	30.00	
Lindsay-Strathmore ID (80*28.16)	2,252.80	
Plain View WD ((35+29+74+2)*26.20), ((45+85)*8.4)	4,760.00	
SMUD (35*12.96)	453.60	

CENTRAL VALLEY PROJECT  
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS  
BY FACILITY AND/OR COMPONENT FOR FY 2004  
2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

c/ **Reconciliation of Income to Financial Statement at 9/30/2004 (continued)**

Prior Year revenues adjustments recorded in FFS in current year, but recorded in Ratesetting in prior year (continued)		
Sacramento County WA (444*17.20)	7,636.80	
Sacramento County WA (351*(17.20-16.80)), SX#: 040320OA006	140.40	
Sacramento Suburban WD (2,584*21.29)	55,013.36	
San Benito County WD I/B (-244*36.13), O/B (-244*43.00) SX#: 040320OA004	(19,307.72)	
San Benito County WD I/B (-109*36.13), O/B (-109*43.00)	(8,625.17)	
San Juan WD (132*18.59), (1,750*11.34)	22,298.88	
San Luis WD - DMC (25*16.99) (11*15.00)	589.75	
San Luis WD - DMC (-1*19.75)	(19.75)	
San Luis WD - DMC, FY 2000 adjustment	59.25	
San Luis WD - SLC (58*63.89)	3,705.62	
San Luis WD - SLC, FY 2001 adjustment	1.88	
Santa Clara Valley WD I/B (-500*45.71),O/B (-500*43.00)	(44,355.00)	
Santa Clara Valley WD I/B (-2,715*45.71),O/B (-2,715*43.00), 2003 Annual Adjustment	(240,847.65)	
Shasta CSD (56*9.00)	504.00	
Shasta County #25 (23*9.00)	207.00	
Shasta CWA (674*9.00)	6,066.00	
State of CA (6*36.32)	217.92	
Stony Creek (5 a/f * \$26.49)	132.45	
Stony Creek (-1a/f * \$26.49)	(26.49)	
Terra Bella ID ((3,925+1,937)*29.25)	171,463.50	
Westlands WD ((130+53+322)*47.44)	23,957.20	
		(756.24)
Prior Year Voluntary Payments and Refunds included in FFS		
Bella Vista WD	99,422.04	
Riverview Golf & CC - 52.13 (included in FY 2004), 80.38 (FY 2005 water charges)	132.51	
Sacramento County WA - 29,343.95 (included in FY 2004), 10,151.15 (FY 2005 water charges)	39,495.10	139,049.65
Excess Voluntary Payments refunded due to the title transfer adjustments		
City of West Sacramento	(11,781.04)	
Westlands WD - total refunded amount was \$316,726.43. \$251,651.81 was recorded in FFS in 2004	(251,651.81)	(263,432.85)
Prior Year Voluntary Payments included in FFS in current year, but included in Ratesetting in prior year		
Contra Costa WD ( 191,143.52+13,795.00)		204,938.52
FY 2003 Refunds recorded in FFS in current year, but included in Ratesetting in FY 2003		
City of Roseville	(66,924.02)	
City of Shasta Lake	(51,775.76)	(118,699.78)
FY 2005 Voluntary Payment recorded in FFS in 2004		
Contra Costa WD	73,696.00	
Sacramento County WA	15,687.78	89,383.78

CENTRAL VALLEY PROJECT  
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS  
BY FACILITY AND/OR COMPONENT FOR FY 2004  
2006 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2004 (Continued)**

c/ **Reconciliation of Income to Financial Statement at 9/30/2004 (continued)**

FY 2004 O&M surplus refund included in Ratesetting but will be recorded in FFS in 2005

City of Shasta Lake	(16,471.65)	
Lindsay-Strathmore ID	(12,520.25)	
		(28,991.90)

Prior Year Adjustment

Contra Costa WD - PFR adjustment	41,697.51	
Del Puerto WD - voluntary payment adjustment	(3.64)	
Plain View WD - refund adjustment	(531.81)	
Plain View Wd - prior year expense adjustment	193.38	
City of Roseville - prior year voluntary payment adjustment	12,440.76	
Colusa County WD - prior year deficit adjustment	(570.32)	
		53,225.88

Excess Voluntary Payments refunded due to the title transfer adjustments - recorded in ratesetting in 2004

Westlands WD - total refunded amount was \$316,726.43. \$65,074.62 will be recorded in FFS in 2005.	(65,074.62)	
San Luis WD - SLC	(1,412.30)	
		(66,486.92)